

**NIGADOO**

**RIVER  
MINES  
LIMITED**

AR12



Annual Report  
1965

# NIGADOO RIVER MINES LIMITED

## BOARD OF DIRECTORS

Dr. Pierre Beauchemin  
President

Jean Beauchemin  
Vice-President

André Beauchemin, Eng.  
Secretary-Treasurer

Lucien C. Béliveau, Eng.  
General Manager

Claude Beauchemin, Attorney

Cecil H. Franklin

John C. Dumbrille, Eng.

## OTHER OFFICERS

Réal J. Lafleur  
Assistant Secretary-Treasurer

O. R. Wray, Eng.  
Mine Manager

Maurice Scott, Eng.  
Consulting Geologist

## CAPITAL

Authorized – 3,000,000 shares  
Issued – 2,900,000 shares

## TRANSFER AGENTS

Eastern & Chartered Trust  
Company  
Toronto

## BANKS

National Canadian Bank  
The Provincial Bank of Canada

## AUDITORS

Price Waterhouse & Co.  
Montreal

## MINE OFFICE

Robertville, Gloucester County,  
New Brunswick

## HEAD OFFICE

Room 1401, 80 Richmond Street West,  
Toronto, Ontario.

## EXECUTIVE OFFICE

Suite 1403, 507 Place d'Armes  
Montreal, Quebec.

## ANNUAL MEETING

June 14, 1966 at 2.00 p.m.  
Holiday Motel  
Hawkesbury, Ontario

A COMPANY WITHIN THE SULLIVAN MINING GROUP



## THE PRESIDENT'S MESSAGE

### NIGADOO RIVER MINES LIMITED

May 6, 1966

Ladies and Gentlemen:

The Board of Directors submits herewith the Annual Report of your Company, together with the balance sheet, as at December 31, 1965.

Your mine property is being readied for production early in 1967. Construction of all buildings needed for an efficient mining operation, such as the service building, hoist room, change house and others, is now completed, and the construction of the 1,000 tons per day capacity concentrator has now been started.

The underground development work is in progress, and we refer you to the Mine Manager's report for detailed information. Indicated ore reserves by surface diamond drilling and partly developed by underground workings have been calculated to a vertical depth of 1000 feet at 1,390,000 tons with a content of 4.36 ounces of silver per ton and 2.97 % lead, 2.77 % zinc and 0.34 % copper across an average width of 6.8 feet. The mineralized zone has a known strike length of 3400 feet with a near vertical dip.

Recent surface diamond drilling has shown other encouraging results which deserve underground investigation.

Staking during the year has enlarged your Company's holdings by 3400 acres. Results of early surface exploration work on these claims are also encouraging and are being followed by additional work.

The necessary funds needed to attain the production stage are advanced by the principal shareholders of the Company, Sullico Mines Limited and Sullivan Consolidated Mines Limited.

The Annual Meeting of the Shareholders will be held at the Holiday Motel, Hawkesbury, Ontario, on the 14th day of June 1966, at 2:00 p.m., and all shareholders are cordially invited to attend.

Your Directors wish to express their appreciation to the officers and personnel of your Company for their loyal services.

PIERRE BEAUCHEMIN, President

# NIGADOO RIVER MINES LIMITED

(Incorporated under the Ontario Corporations Act on August 13, 1956)

## ASSETS

### Current assets:

Cash . . . . .	\$ 24,532.02
Accounts receivable—	
Parent and affiliated companies . . . . .	8,776.63
Others . . . . .	836.00
Inventory of supplies — at cost . . . . .	138,831.83
Prepaid expenses . . . . .	2,437.01
	<hr/> 175,413.49

Long-term deposits . . . . .	18,300.00
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### Fixed assets, at cost:

Mining claims under mining licence and miner's certificates . . . . .	\$ 296,334.33	
Surface rights . . . . .	8,892.00	
Land, buildings and equipment (Note 1) . . . . .	1,309,428.67	1,614,655.00
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### Pre-production expenditures:

Development (Statement II) . . . . .	2,124,225.04	
Administrative (Statement III) . . . . .	121,447.82	2,245,672.86
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Organization expenses . . . . .		6,586.68
		<hr/> <hr/> \$4,060,628.03

Note 1: No depreciation has been recorded on buildings and equipment.

Note 2: An option in favour of Sullico Mines Limited and Sullivan Consolidated Mines Limited to purchase the remaining 100,000 shares of capital stock at \$1 per share is outstanding, exercisable within two years of the commencement of commercial production of the present mining claims but not later than December 31, 1967, provided the optionees or their assigns shall have advanced to Nigadoo the capital required to bring the said mining property into commercial production, in amounts and at a rate sufficient to maintain a development and mine preparation programme consistent with sound engineering advice.

Note 3: Capital expenditures for the year 1966 are expected to aggregate \$1,000,000 of which some \$100,000 has been committed to date.

Approved on behalf of the Board of Directors:

PIERRE BEAUCHEMIN

C. H. FRANKLIN



**BALANCE SHEET — DECEMBER 31, 1965**

Statement I

**LIABILITIES AND CAPITAL**

## Current liabilities:

Accounts payable and accrued liabilities . . . . .	\$ 227,842.39	
Advances from parent and affiliated companies . . . . .	14,417.81	
		<u>242,260.20</u>

## Loans payable to parent and affiliated companies:

Payable on demand, bearing interest at 1 % per annum. . . . .	\$1,800,000.00	
Non-interest bearing notes, due one year after commencement of commercial production . . . . .	100,000.00	1,900,000.00
		<u>1,900,000.00</u>

## Capital:

## Capital stock—

Authorized — 3,000,000 shares of no par value	
Issued and fully paid — 2,900,000 shares (Note 2) . . . . .	1,954,214.81
	<u>1,954,214.81</u>

## Deduct

Loss on sale of fixed assets . . . . .	18,567.65	
Abandoned claims (Schedule B) . . . . .	17,279.33	
	<u>35,846.98</u>	1,918,367.83
		<u>\$4,060,628.03</u>

**AUDITORS' REPORT TO THE SHAREHOLDERS**

We have examined the balance sheet of Nigadoo River Mines Limited as at December 31, 1965 and the related statements of development and of administrative expenditures (pre-production expenditures) for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the attached balance sheet and the related statements of pre-production expenditures present fairly the financial position of the company as at December 31, 1965, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Montreal, March 7, 1966.

PRICE WATERHOUSE & CO.  
Chartered Accountants

# NIGADOO RIVER MINES LIMITED

(Incorporated under the Ontario Corporations Act on August 13, 1956)

Statement II

## STATEMENT OF DEVELOPMENT EXPENDITURES FOR THE YEAR ENDED DECEMBER 31, 1965

	Balance December 31, 1964	Expenditures during the year	Balance December 31, 1965
Roads and surface improvements . . . . .	\$ 18,089.23	\$ 7,494.78	\$ 25,584.01
Surface exploration . . . . .	267,175.09	39,054.81	306,229.90
Mine development . . . . .	851,381.00	363,427.01	1,214,808.01
Metallurgical, including operation of experimental mill . . . . .	88,526.73	11,386.48	99,913.21
Experimental . . . . .	41,714.55	—	41,714.55
Mine general expenses (Schedule A) . . . . .	253,073.21	152,584.15	405,657.36
Shut-down maintenance . . . . .	35,597.33	—	35,597.33
	<u>1,555,557.14</u>	<u>573,947.23</u>	<u>2,129,504.37</u>
Less: Amounts written off to cost of mining claims abandoned . . . . .	—	5,279.33	5,279.33
Per balance sheet (Statement I) . . . . .	<u>\$1,555,557.14</u>	<u>\$ 568,667.90</u>	<u>\$2,124,225.04</u>

Statement III

## STATEMENT OF ADMINISTRATIVE EXPENDITURES FOR THE YEAR ENDED DECEMBER 31, 1965

	Balance December 31, 1964	Expenditures during the year	Balance December 31, 1965
Salaries . . . . .	\$ 4,434.64	\$ 17,574.21	\$ 22,008.85
Legal and audit . . . . .	28,457.75	7,800.60	36,258.35
Transfer agents and registrars . . . . .	2,696.31	262.01	2,958.32
Travelling . . . . .	1,595.84	1,579.09	3,174.93
Management charges incurred by prior interests . . . . .	21,368.91	—	21,368.91
Filing fees, capital and business taxes . . . . .	10,977.13	557.76	11,534.89
Shut-down expenses . . . . .	5,075.58	—	5,075.58
Interest . . . . .	165.03	7,659.95	7,824.98
Miscellaneous . . . . .	7,472.09	3,770.92	11,243.01
Per balance sheet (Statement I) . . . . .	<u>\$ 82,243.28</u>	<u>\$ 39,204.54</u>	<u>\$ 121,447.82</u>



# NIGADOO RIVER MINES LIMITED

(Incorporated under the Ontario Corporations Act on August 13, 1956)

## SCHEDULE OF MINE GENERAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 1965

Schedule A

	Balance December 31, 1964	Expenditures during the year	Balance December 31, 1965
Geologists, engineers and mine management . . . . .	\$ 69,605.63	\$ 77,583.00	\$ 147,188.63
Consulting fees . . . . .	52,580.28	881.12	53,461.40
Maintenance . . . . .	49,488.68	9,152.74	58,641.42
Travelling expenses . . . . .	33,783.32	9,655.56	43,438.88
Workmen's Compensation and Unemployment Insurance. . . . .	8,578.15	12,954.62	21,532.77
Machine shop . . . . .	7,863.77	—	7,863.77
Trucking ore to mill . . . . .	7,825.95	—	7,825.95
Supplies . . . . .	7,495.99	—	7,495.99
Boarding house . . . . .	4,546.09	—	4,546.09
Warehouse . . . . .	237.54	7,954.03	8,191.57
Mine office expenses . . . . .	—	7,656.60	7,656.60
Insurance and property taxes . . . . .	—	9,761.66	9,761.66
Vacation and statutory holidays . . . . .	—	5,917.97	5,917.97
Security and fire protection . . . . .	—	2,353.37	2,353.37
Miscellaneous . . . . .	11,067.81	8,713.48	19,781.29
Per Statement II . . . . .	<u>\$ 253,073.21</u>	<u>\$ 152,584.15</u>	<u>\$ 405,657.36</u>

## COST OF MINING CLAIMS ABANDONED AS AT DECEMBER 31, 1965

Schedule B

	Total cost	Applicable to abandoned claims	Balance
Purchase price of original mining claims:			
Cash paid for claims . . . . .	\$ 75,000.00	—	\$ 75,000.00
Shares issued for claims . . . . .	133,333.33	—	133,333.33
Shares issued for exploration expenses . . . . .	100,000.00	\$ 12,000.00	88,000.00
	<u>233,333.33</u>	<u>12,000.00</u>	<u>221,333.33</u>
Total . . . . .	<u>\$ 308,333.33</u>	<u>12,000.00</u>	<u>\$ 296,333.33</u>
Development expenditures applicable to abandoned claims . . . . .		5,279.33	
Total per balance sheet (Statement I) . . . . .		<u>\$ 17,279.33</u>	

Note: The cost of abandoned claims shown above is the cost applicable to mining claims abandoned and not restaked.

April 18, 1966

To the President and Directors

## **NIGADOO RIVER MINES LIMITED**

Gentlemen:

The shaft at the reopened property of the former Nigadoo Mines had been dewatered during the latter part of 1964. Once the workings were available, they were re-geologized and sampled, and the shaft opening was readied to permit deepening.

The sinking, done by company employees, was commenced in February 1965 and terminated in September of the same year. The vertical shaft was deepened from a depth of 929 feet to a depth of 1,753 feet, making available six new levels, for a total of twelve.

Development work is in progress at the end of the year in accordance with the objectives in a planned program.

1st — The establishments of an ore and waste pass system, with two loading pockets, one below the 900 level, and the other below the 1550 level. These to handle development muck, and ultimate production.

2nd — A program of development to make available the ore bodies on the various levels as the completion of (1) makes possible the handling of the broken rock.

3rd — A program of opening ventilation raises in significant areas where they will be part of the permanent system.

4th — A program of taking down backs and making other stope preparation where assays show ore in the drifting.

During the year the following rock excavation work was completed in the mine:

Shaft Sinking.....	827.0 ft.	Ore Pass Raising.....	133.0 ft.
Station Cutting.....	69,193 cu. ft.	Waste Pass Raising.....	329.0 ft.
Sumps.....	11,586 cu. ft.	Ventilation Raising.....	54.0 ft.
Loading Pockets.....	20,982 cu. ft.	Mining (test samples from	
Spill Pockets.....	7,626 cu. ft.	900 level, shipped to	
		Ottawa).....	1,530 cu. ft.

## **CONSTRUCTION**

An active program of construction was undertaken to accommodate the requirements of the mine schedule.

Major items on this program were:

Completion of headframe, shafthouse and hoistroom;

Erection and furnishing of an office-shop complex, change house and assay office;

Erection of a permanent plant fence;

The above buildings are all at the mine site, and with the exception of the shaft and headframe are of concrete block construction.



In addition, six housing units for senior staff were completed, by contract, in the Parkwood Heights subdivision of West Bathurst. A building program, involving the erection of a housing group, complete with water and sewage, and comprising 16 semi-detached units and 7 single units, was well advanced at the end of the year. This program was planned to house personnel whose experience would be significant and valuable in the operation of the mine.

The yard for the mine has been graded to give permanent storage space for material. The mill site has been partially stripped. The bins for ore and waste, with their chutes, have been erected and the headframe extended to enclose them. This last work is in progress at the end of the year.

## **EXPLORATION**

Sixteen surface diamond drill holes totalling 5952 feet have shown the presence of two zones located 500 feet east of the main vein. Indicated grade averages 0.15 % copper, 2.25 % lead, 3.50 % zinc and 3.00 ounces of silver per ton. Additional exploration work in these two zones is now planned from underground workings.

Three anomalous areas were outlined in a geochemical survey on some of the 121 claims surrounding the mine property. Detailed geochemical and geophysical work is now in progress.

A total of 4971 feet of underground diamond drilling was completed.

Interesting results were obtained on the 600 foot level 300 feet south of the shaft in a recently outlined structure perpendicular to the main vein. The zone was drilled for a strike length of 150 feet and averages 0.14 % copper, 2.36 % lead, 3.12 % zinc and 2.20 ounces of silver per ton over an average true width of 8.0 feet.

In the same area, the main vein was drilled in detail for a length of 150 feet with an average grade of 0.53 % copper, 5.01 % lead, 3.87 % zinc and 6.70 ounces of silver per ton over an average true width of 5.7 feet.

Other drilling was part of a program to serve as a guide in initiating development work on the new levels below the 900 foot horizon.

## **LABOUR RELATIONS**


The Mine, Mill and Smelter Workers Union was certified by the Labour Board of New Brunswick as the employees bargaining agent on May 28, 1965.

Several meetings were held throughout the months of June to November, seven of them under the chairmanship of a Conciliation Officer appointed by the Labour Board, in an effort to negotiate a labour agreement. No agreement has been reached so far.

In conclusion, I wish to express my thanks to the President, the Directors and the General Manager for their assistance and guidance throughout the year and also to the operating staff for their efficiency and loyalty.

Respectfully submitted,

O. R. WRAY, Eng.  
Mine Manager



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